

**LOAN AGREEMENT
NEPRA FOODS, LTD.**

THIS LOAN AGREEMENT (“*Loan Agreement*”) is made by and among William Hogan (collectively “*Lender*”) and NEPRA FOODS, LTD., a Colorado corporation (“*Borrower*”), as of the 5th day of April 2024.

RECITALS

- A. Subject to the terms and conditions hereinafter set forth, the Lender desires to lend Nine Hundred Fifty Thousand US Dollars and Zero Cents (\$950,000USD) to Borrower (“*Loan*”)
- B. The Loan will be evidenced by secured promissory note, in the form attached hereto as **Exhibit A**, (“*Note*”) issued to the Lender.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. **TERMS OF SECURED NOTES.** Subject to the terms and conditions of this Loan Agreement, Lenders agree to lend to Borrower a maximum amount of Nine Hundred Fifty Thousand US Dollars and No Cents (\$950,000.00) on the following terms and conditions:
 - 1.1 The term of the Loan began on the date hereof and shall end on the earlier of July 31, 2024 (“*Maturity Date*”) unless paid before such date in accordance with the terms of the Note.
 - 1.2 Concurrently herewith, Borrower shall execute a Note in favor of Lender.
 - 1.3 The principal amounts outstanding pursuant to the Note from the date advanced until the date on which the entire principal balance outstanding is paid in full (at stated maturity, on acceleration or otherwise), shall bear interest at a rate so stated on the Note.
 - 1.4 Principal and interest shall be paid pursuant to the terms of the Note.
- 2. **SECURITY AGREEMENT.** As security for the performance under the Loan and payment of the principal amount of the Loan and the interest, and all obligations and indebtedness of the Loan, Borrower grants to the Lender a security interest, which may be perfected upon filing of a financing statement in accordance with the Uniform Commercial Code adopted in Colorado and which is superior to all other liens in all the assets, personal property, and fixtures of the Borrower whether now owned or hereafter acquired and wherever located, of every kind and description, tangible or intangible, including without limitation, government licenses and franchises, furniture, fixtures, equipment, inventory, goods, documents, instruments, general intangibles, chattel paper, accounts, and contract rights, now or hereafter existing, and will include the proceeds, products, and accessories of any kind to any thereof (collectively the “*Assets*”).
- 3. **PROMISES TO PAY.** Borrower promises to pay to Lender when due, whether by normal maturity, acceleration or otherwise, the entire outstanding principal amount of the Loan, together with any accrued and unpaid interest, and all other amounts payable by Borrower to Lender hereunder, including costs of collection. Any payments made to the Lender shall be made on a

pro-rata basis based upon the amounts then due and owing under the Lender's Note compared to the Notes of all of the Lender.

4. **EVENTS OF DEFAULT; ACCELERATION.** Any or all of the Borrower's liabilities to the Lender in connection with the Loan shall, be immediately due and payable upon the occurrence of any of the following events of default (each of which shall be hereinafter referred to as an "***Event of Default***"): (i) default in the payment, when due or payable, of any obligation of Borrower under this Loan Agreement or the Note; (ii) issuance of any injunction or of an attachment or judgment against any property of Borrower which is not discharged within ten (10) business days after issuance; (iii) the filing of any bankruptcy, reorganization, debt arrangement or other proceeding or case against Borrower under any bankruptcy or insolvency law or commencement of any dissolution or liquidation proceeding against Borrower, any of which is either consented to or acquiesced in by Borrower or remains un-dismissed for ninety (90) days after the date of entry or the commencement by Borrower of a voluntary case under the federal bankruptcy laws or any state insolvency or similar laws, or the consent by Borrower to the appointment of a receiver, liquidator, assignee, trustee, custodian or similar official for Borrower or any of its property, as the case may be, or the making by Borrower of any assignment for the benefit of creditors; or (iv) material default in the performance of any obligation, covenant or agreement contained herein or in the Note.
5. **WAIVERS.** Borrower waives demand, notice, protest, notice of acceptance of this Loan Agreement, notice of loans made, credit extended, and all other action taken in reliance hereon and all other demands and notices of any type.
6. **BORROWER'S COVENANTS.** Until all obligations and liabilities of Borrower to Lender under this Loan Agreement and the Note have been paid and performed in full, Borrower shall keep and perform the following covenants, and does hereby covenant, agree and promise to Lender as follows to do the following:
 - 6.1 **Books, Records, and Inspections.** At all times (i) maintain complete and accurate books and records and (ii) permit Lender during regular business hours and upon reasonable notice to enter, examine, audit, and inspect all properties, books, operations and records of Borrower at Borrower's principal place of business.
7. **RESTRICTIONS ON TRANSFER.**
 - 7.1 Neither the Note nor any interest therein may be transferred or resold except as permitted under the Securities Act pursuant to registration or an exemption therefrom. All such transfers or resales must be to "***Accredited Investors***," as defined in Regulation D under the Securities Act of 1933, as amended (the "***Securities Act***").
 - 7.2 In connection with any transfer or resale, the Borrower shall require (i) an unqualified Opinion of Counsel, at the transferor's expense, to the effect that such transfer may be effected without registration under the Securities Act or, in the alternative, (ii) a certificate from such transferor or the remarketing agent for such transferor, as appropriate, and a transferee's investment letter with respect to the transfer of such Note. The Borrower may rely conclusively upon the information contained in any such certificate and/or letter in the absence of knowledge to the contrary.
 - 7.3 The Note and related documentation may be amended or supplemented from time to time by the Borrower, to modify the restrictions on and procedures for resale and other transfers

of the Notes and interests therein to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resale or other transfer of restricted securities generally if the Borrower shall have received an Opinion of Counsel to the effect that such amendment or supplement is necessary or appropriate and otherwise meets the requirements of Section 7.1 hereof.

7.4 In order to preserve the exemption under the Securities Act, the Company shall provide to any Lender of a Note of any series and any prospective purchaser designated by such Lender, upon written request of such Lender or such prospective purchaser, information regarding the Borrower, its financial condition, operations, management, and assets that is material and complete to the extent such information is reasonably available to the Borrower. The Borrower may from time to time modify the foregoing restrictions on resale and other transfers, without the consent but upon notice to Lender, in order to reflect any change in the interpretation thereof or practices relating to sales of restricted securities by the holders thereof if Borrower shall have received an Opinion of Counsel to the effect that such amendment or supplement is necessary or appropriate and otherwise meets the requirements of Section 7.1 hereof.

8. **JURISDICTION AND VENUE.** In any action brought by Lender under this Loan Agreement, Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Colorado and agrees that venue shall be proper in any state or federal court in the County of Denver, State of Colorado. Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrower may otherwise be entitled under the laws of the United States of America now in force or which may hereafter be passed, as well as the benefit of any or every statute, ordinance, or rule of court which may be lawfully waived conferring upon Borrower any right or privilege of exemption, stay of exercise, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment.

9. **NOTICES.** All notices, consents, approvals, requests, demands and other communications which are required or may be given hereunder shall be in writing and shall be deemed given when personally delivered or the next Business Day after such notice is sent by prepaid overnight courier, all as addressed or directed to the Lender at the address included in the signature page to this Loan Agreement, and to the Borrower at:

Borrower: NEPRA FOODS, LTD.
Attn: Chadwick White, CEO
7025 S. Revere Pkwy Ste. 100
Centennial, CO 80112

Any party may from time to time change the address to which notices to it are to be sent by giving notice of such change to the other parties in the manner set forth herein. Any notice period shall commence on the day such notice is deemed given. For the purposes of this Loan Agreement, the term “*Business Day*” shall include all days other than Saturdays, Sundays and federal banking holidays.

10. **MISCELLANEOUS.**

- 11.1 **Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Loan Agreement or to exercise any right or remedy upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement, or condition.
- 11.2 **Survival.** All covenants, agreements, representations and warranties made herein and in any other instruments or documents delivered pursuant hereto shall survive the execution and delivery of this Loan Agreement and shall continue in full force and effect so long as any of the amounts due hereunder are outstanding and unpaid.
- 11.3 **Entire Agreement; Modification.** This Loan Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, superseding all prior negotiations, correspondence, understandings and agreements, if any, between the parties. The terms and conditions of this Loan Agreement and the Notes may be amended, including but not limited to the interest rate, the default interest rate, the Maturity Date and the date of any payments due on the Notes, including but not limited to the interest only payments and the payments of principal and accrued and unpaid interest due thereafter may be amended from time to time by the written consent of the Borrower and a Joint Decision of the Lenders. There are no oral or implied agreements and no oral or implied warranties between the parties hereto other than those expressed herein.
- 11.4 **Binding Effect; Assignability.** This Loan Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Loan Agreement shall not be assignable by the parties without the prior written consent of other party hereto.
- 11.5 **Headings.** The section and other headings in this Loan Agreement are for reference only and shall not limit or otherwise affect any of the terms hereof.
- 11.6 **Severability.** Any provision in this Loan Agreement, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.
- 11.7 **Expenses of Collection.** Should Lender refer this Loan Agreement or the Notes to an attorney for collection as a result of an Event of Default, Borrower shall pay all of Lender's actual costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.
- 11.8 **Governing Law.** This Loan Agreement is made in and shall be governed by and construed and interpreted in accordance with the laws of the State of Colorado.
- 11.9 **Counterparts.** This Loan Agreement may be executed in several counterparts, and as executed shall constitute an agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Loan Agreement under seal, with the intention of making it a sealed instrument, as of the day and year first above written.

[signature page follows]

BORROWER:

NEPRA FOODS, LTD.

(s) "Chadwick White"

Chadwick White, CEO

Acknowledged By:

(s) "David Wood"

David Wood, Director

[Lenders Signature Page Follows]

LENDER SIGNATURE PAGE
LOAN AGREEMENT
NEPRA FOODS, LTD.

The undersigned Lender, by signature below, hereby subscribe for the principal amount of Secured Note set forth below, and hereby accepts, adopts and agrees to be bound by all the terms and conditions of the Secured Grid Note Loan Agreement dated April 5, 2024 by and among the Lender and NEPRA FOODS, LTD.

Holder: William Hogan
Principal amount of Loan up to \$950,000.00USD

By: (s) "William Hogan"
William Hogan

**EXHIBIT A
SECURED NOTES**

THE SECURITIES OFFERED HEREBY AND THE SECURITIES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR APPLICABLE STATE SECURITIES LAWS, AND ARE PROPOSED TO BE ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. SUCH SECURITIES MAY NOT BE REOFFERED FOR SALE, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

AMENDED AND RESTATED SECURED GRID PROMISSORY NOTE

April 5, 2024
Centennial, Colorado

WHEREAS William Hogan. ("**Payee**") provided three loans to Nepra Foods, Ltd., ("**Borrower**"), pursuant to promissory notes dated as of *[redacted: confidential information]*, (the "**Original Notes**");

AND WHEREAS Payee and Borrower wish to amend and restate the Original Notes to, among other things, increase the maximum principal amount to include the additional funds and restate the interest rate and the due date;

FOR VALUE RECEIVED, Payee and Borrower hereby agree that this amended and restated secured promissory note (this "**Note**") shall cancel, supersede and replace the Original Notes with effect as of April 5, 2024. Borrower promises to pay to the order of the Payee, the unpaid principal amount of all advances made by Payee to Borrower from time to time as recorded on the grid schedule attached as Schedule "A" hereto subject to a maximum principal amount of US\$950,000, together with interest on such Loans at the rates provided below.

This note is secured through a Security agreement attached as Exhibit "B" under which the assets of the Borrower are pledged as collateral.

Borrower hereby irrevocably authorizes and directs Payee to record on Schedule "A" hereto or on any attachment to this Note all advances, repayments, prepayments and the unpaid principal balance from time to time for each Loan. Borrower agrees that in the absence of manifest error, the record kept by Payee on this Note or any attachment shall be conclusive evidence of the matters recorded.

In lieu of any renegotiations between the parties, the unpaid principal of the Loans, including all accrued and unpaid interest thereon, shall be due and payable, on or before July 31, 2024, Borrower shall have the right to prepay any Loan, in whole or in part, without penalty or premium, and any such prepayment shall be applied first to any fees, expenses, collection costs or other amounts (other than principal and interest) then due and payable, second to accrued interest and third to unpaid principal of such Loan.

Except as otherwise provided below with respect to interest during the pendency of a Default Event (as defined below), interest on the Loans evidenced hereby shall accrue from the date of advance of each Loan at an annual rate of six percent (6%). From and after the occurrence of, and during the continuance of, any Default Event, interest on the entire outstanding principal of the Loans shall accrue, from the date

of occurrence of the Default Event until the date the Default Event is cured, at an annual rate of twelve (12%) as of the date of occurrence of the Default Event. Interest on the outstanding principal of the Loans shall be payable: (i) monthly on the last day of each calendar month, commencing the first full month of operations of the business, and (ii) at the maturity of this Note.

All payments of principal and interest hereon shall be made at Payee's address of [redacted], or at such other place as Payee shall have previously designated to Borrower in writing, in immediately available funds and without set-off or counterclaim or deduction of any kind. Should any such payment become due and payable on a day other than a business day, the maturity of such payment shall be extended to the next succeeding business day, and, in the case of a payment of principal or past due interest, interest shall accrue and be payable thereon for the period of such extension.

It is not intended to charge interest at a rate in excess of the maximum rate of interest that Payee may charge to Borrower under applicable usury and other laws, but if, notwithstanding, interest in excess of such rate shall be paid hereunder, the interest rate on this Note shall be adjusted to the maximum permitted under applicable law during the period or periods that the interest rate otherwise provided herein would exceed such rate and any excess amount applied at Payee's option to reduce the outstanding principal of the Loans or to be returned to Borrower.

In the event of the occurrence of any of the following (each of which is hereby called a "**Default Event**"): (i) any failure by Borrower to perform its obligations under this Note, including without limitation any failure to make any payment of principal, interest or other amounts payable under the terms of this Note when due and payable, (ii) there shall have been filed against the Payee, with or without its consent, any petition or other request for relief seeking an arrangement, receivership, reorganization, liquidation or similar relief under bankruptcy or similar laws seeking relief from creditors, then the whole unpaid principal of the Loans plus accrued interest and all other obligations of Borrower to Payee, direct or indirect, absolute or contingent, now existing or hereafter arising, shall, at the option of Payee, become immediately due and payable, and any or all of the rights and remedies provided herein may be exercised by Payee.

If Borrower fails to pay any amount due under this Note and Payee has to take any action to collect the amount due, including without limitation retaining attorneys for collection of this Note, or if any suit or proceeding is brought for the recovery of all or any part of or for protection of the indebtedness, then Borrower agrees to pay on demand all reasonable costs and expenses of any such action to collect, suit or proceeding, or any appeal of any such suit or proceeding, incurred by Payee, including without limitation the reasonable fees and disbursements of Payee's attorney.

Borrower waives presentment, demand, notice of dishonor and protest, and assents to any extension of time with respect to any payment due under this Note, to any substitution or release of collateral and to the addition or release of any party. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right.

If any provision in this Note shall be held invalid, illegal or unenforceable in any jurisdiction, the validity, legality or enforceability of any defective provisions shall not be in any way affected or impaired in any other jurisdiction.

No delay or failure of the holder of this Note in the exercise of any right or remedy provided for hereunder shall be deemed a waiver of such right by the holder hereof, and no exercise of any right or remedy shall be deemed a waiver of any other right or remedy that the holder may have.

This Note amends and restates in its entirety the Original Note and, effective upon the effective date set forth above, the terms and provisions of the Original Note shall be superceded hereby. All principal, interest or other amounts that remain outstanding under the Original Note upon the effectiveness of this Note shall constitute amounts outstanding hereunder governed by the terms hereof. Such amounts shall be continuing in all respects, and this Note shall not be deemed to evidence or result in a novation or repayment and re-borrowing of those amounts.

At the option of the holder hereof, an action may be brought to enforce this Note in the District Court in and for Arapahoe County, State of Colorado, in the United States District Court for the District of Colorado or in any other court in which venue and jurisdiction are proper. Borrower and all signers or endorsers hereof consent to venue and jurisdiction in the District Court in and for Arapahoe County, State of Colorado and in the United States District Court for the District of Colorado and to service of process under Sections 13-1-124(1)(a) and 13-1-125, Colorado Revised Statutes, as amended, in any action commenced to enforce this Note.

This Note is to be governed by and construed according to the laws of the State of Colorado.

[signature page follows]

IN WITNESS WHEREOF the undersigned has executed this Note as of the date first written above.

NEPRA FOODS, LTD.

By: (s) "Chadwick White"
Name: Chadwick White
Title: Chief Executive Officer

Acknowledged By:

(s) "David Wood"
David Wood, Director

EXHIBIT B

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (“*Security Agreement*”) is made and entered into this 5th day of April 2024, by and between NEPRA FOODS, LTD., a Colorado corporation (“*Borrower*”) and the holder of the Secured Note issued by the Borrower (“*Note*”) that execute a copy of this Security Agreement (“*Secured Party*”).

RECITALS

- A. Borrower has or will deliver to the Secured Party, Notes in the maximum principal amount of Nine Hundred Fifty Thousand US Dollars and No Cents (\$950,000.00). The Notes have been issued pursuant to a loan agreement (“*Loan Agreement*”) of even date of this Security Agreement. The Loan Agreement and the Notes are incorporated herein and made a part hereof by reference.
- B. Borrower and Secured Party now enter into this Security Agreement for the purpose of securing certain of Borrower’s obligations under the Loan Agreement and Notes.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **GRANT OF SECURITY INTEREST.** Borrower hereby grants to Secured Party, a security interest in the Collateral described in Section 3 herein, wherever said Collateral is located, for purposes of securing Borrower’s obligations to Secured Party described herein.
2. **OBLIGATIONS SECURED.** This security interest is given by Borrower to secure the following obligations to the Secured Party (“*Secured Obligations*”):
 - 2.1. **Security Agreement.** The performance of all obligations of Borrower set forth in this Security Agreement.
 - 2.2. **Notes and the Loan Agreement.** The performance and payment when due of the principal amount of the Note and all accrued and unpaid interest as provided in the Loan Agreement, and all indebtedness, liabilities and obligations of Borrower under the Loan Agreement, the Notes and all extensions, renewals, amendments, restatements or replacements thereto.
3. **DESCRIPTION OF COLLATERAL.** The Collateral granted to the Secured Party under this Security Agreement shall include all of the following of Borrower, wherever located:
 - 3.1. All personal and fixture property of every kind and nature including, without limitation, all goods (including, without limitation, inventory, equipment (including, without limitation, computer hardware and software, furniture,

furnishings, and fixtures), instruments (including, without limitation, promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, patents and patent applications, copyrights and copyrighted works, trademarks, service marks and logos, computer software programs, and all general intangibles (including all payment intangibles), hereinafter referred to as the "Primary Collateral." For the avoidance of doubt, the Primary Collateral specifically includes any and all personal property of Borrower acquired after the date hereof.

- 3.2. In addition, the Collateral shall include all proceeds and whatever is receivable or received when any of the Collateral or proceeds thereof are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, including without limitation, all insurance proceeds and proceeds of all rights to payment with respect to any cause of action affecting or relating to any of the foregoing, and all accounts, contract rights, documents, instruments and general intangibles arising from the sale or disposition thereof, in all such cases whether now existing or hereafter created or acquired.

4. **REPRESENTATIONS, WARRANTIES, AND COVENANTS OF BORROWER.**

- 4.1. **Legal Owner.** Borrower hereby represents, warrants, and covenants to Secured Party, that Borrower is the legal owner and in possession or entitled to possession of all the Primary Collateral.
- 4.2. **Preservation of Primary Collateral.** Borrower shall perform all acts necessary to maintain, preserve, and protect the Primary Collateral, and to maintain the Primary Collateral in accordance with Borrowers' past practices, at Borrower's own cost and expense. The Borrower shall never use the Primary Collateral or any part of the Primary Collateral in a manner resulting or likely to result in waste or unreasonable deterioration of the Primary Collateral.
- 4.3. **Sale of Primary Collateral.** Borrower shall not, without prior written consent of a Joint Decision of the Lender (as defined in the Loan Agreement), sell, lease, assign, transfer, or otherwise dispose of any portion of the Primary Collateral or any of Borrower's right, title or interest therein until all amounts secured by the security interest created by this Security Agreement have been fully paid to the satisfaction of Secured Party, except as follows: (i) sales in the ordinary course of business; or (ii) sale of any individual asset with a sales price of \$50,000 or less, subject to an annual sales total of not more than \$250,000. All sales proceeds from either exception (i) or (ii) shall be reinvested in assets of Borrower (which assets shall be considered "*proceeds*" and subject to the security interest granted hereunder) or used to pay down the Secured Obligations. The Secured Party shall be deemed to have released its security interest in any item of Primary Collateral sold pursuant to the exceptions in this sub-paragraph.

- 4.4. **Taxes.** Borrower shall promptly pay, as they become due and payable, all taxes and assessments imposed upon the Primary Collateral.
- 4.5. **Insurance.** Borrower will maintain insurance against the risk of loss or damage by fire, theft and other casualties on the Primary Collateral in the amounts and under policies equal to their current fair market value, naming Secured Party under a lender's loss payable clause, and will provide Secured Party with evidence of said policies or certificates at Secured Party' written request.
- 4.6. **Notice of Litigation.** Borrower will give Secured Party notice within five (5) business days of any litigation or threatened litigation or legal proceeding that may have a material adverse effect on the Primary Collateral, and of any default or development likely to have a material adverse effect on the Primary Collateral.
- 4.7. **Protection of Lien.** Borrower agrees to promptly execute and deliver to Secured Party, all financing statements, continuation statements, amendments, supplements thereto, fixture filings and to furnish and endorse such other documents that the Joint Decision of the Lender (as defined in the Loan Agreement) may, from time to time, request in order to evidence, perfect, preserve, protect, maintain, confirm, or defend Secured Party security interest in the Primary Collateral.
5. **GENERAL COVENANTS.**
- 5.1. Borrower agrees to pay promptly when due all taxes, assessments and governmental charges upon or against Borrower for the property or operations of Borrower, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings and for which Borrower has established adequate reserves.
- 5.2. In the event Borrower fails to pay taxes, assessments, costs and expenses which Borrower is required to pay or in the event Borrower fails to keep the Primary Collateral free from other security interests, liens or encumbrances not permitted under the terms of this Security Agreement, Secured Party may make expenditures for any and all such purposes. All reasonable costs and expenses of Secured Party in retaking, holding, preparing for sale and selling or otherwise realizing upon any Primary Collateral or enforcing any provisions hereof in the event of any default by Borrower, including attorneys' fees, shall constitute part of the obligations of Borrower to Secured Party.
- 5.3. Any representative selected by the consent of the Joint Decision of the Lender (as defined in the Loan Agreement) shall have reasonable access during normal business hours to all of the books and records of Borrower and to enter the premises where the Primary Collateral is located, upon five (5) days prior written notice to Borrower, for the purposes of inspecting such books and records to assure

compliance with the terms of this Security Agreement and inspect the Primary Collateral and make copies of any documents relating thereto.

6. **PERFORMANCE BY SECURED PARTY OF BORROWER'S AGREEMENTS.** Secured Party may, but shall have no duty to, perform any agreement of Borrower hereunder, which Borrower shall have failed to perform and Borrower will forthwith reimburse the Secured Party for any payment made or any expense incurred by the Secured Party in connection with such performance.
7. **EVENTS OF DEFAULT.** Borrower shall be in default of this Security Agreement upon the occurrence of any of the following (an "***Event of Default***"):
 - 7.1. **Event of Default under the Note.** An Event of Default (as defined in the Loan Agreement) occurs under the Notes.
 - 7.2. **Breach of This Agreement.** Borrower commits a breach of this Security Agreement and such breach is not cured within twenty (20) days of written notice from a Secured Party.
 - 7.3. **Loss of Collateral.** Borrower allows any portion of the Collateral to be materially lost, damaged or destroyed without insurance coverage.
 - 7.4. **Seizure.** Borrower allows the making of any levy, seizure or attachment against any portion of the Collateral, which materially diminishes the value of such Collateral and such levy, seizure or attachment continues for sixty (60) days.
 - 7.5. **Litigation.** Borrower's title to any of the Primary Collateral, or any part thereof, becomes the subject matter of litigation, which upon final determination, would result in substantial impairment, or loss of the security intended to be provided by this Security Agreement.
8. **REMEDIES.** The occurrence of an Event of Default under this Security Agreement shall constitute a default under the Notes. In the event of default under this Security Agreement, the Secured Party shall have all of the right to remedies provided by law and equity, including, without limitation, those provided by Article Nine of the Uniform Commercial Code adopted in Colorado ("***UCC***") and any other rights provided in any of the above-mentioned documents and instruments or allowed by law. In addition to the rights to remedies provided above, the Secured Party may also, in connection with the default as provided hereinabove:
 - 8.1. Enter on Borrower's premises to assemble, take possession and remove the Primary Collateral without judicial process.
 - 8.2. Require the Borrower to assemble the Primary Collateral and make it available to the Secured Party at a place to be designated by the Secured Party, which is reasonably convenient to both parties.

- 8.3. Apply the proceeds received from the sale or other disposition of the Collateral on default of Borrower, in addition to the items specified in the UCC, to the payment of reasonable attorneys' fees, foreclosure fees, or escrow expenses incurred by Secured Party as a result of Borrower's default, which may be paid from the proceeds of the disposition.
9. **PAYMENT IN FULL.** The Secured Party shall timely provide UCC release statements for any Collateral sold as allowed under Section 4.4. Further, upon satisfaction by Borrower of all the obligations arising out of the Notes, Secured Party shall provide Borrower with a UCC-2 Termination Statement and any and all other documents necessary to release the Collateral from the security interest created hereby.
10. **WAIVER.** Neither the acceptance of any partial or delinquent payment by Secured Party nor Secured Party's failure to exercise any of its rights to remedies upon default by Borrower under this Security Agreement shall be a waiver of the default, a modification of this Security Agreement or Borrower's obligations under this Security Agreement, or prevent Secured Party from enforcing their rights upon any subsequent default by Borrower.
11. **MISCELLANEOUS.**
- 11.1. **Other Documents.** The parties hereto agree that each shall, concurrently herewith, or at any time hereafter, on the demand of the other, execute any other documents or instruments and or cause to be done any other acts and things as may be necessary or convenient to carry out the intents and purposes of this Security Agreement.
- 11.2. **Headings and Exhibits.** The captions or headings of sections and paragraphs in this Security Agreement are for convenience only and are not to be interpreted as controlling, or affecting the subject matter contained thereunder. All recitals, schedules and exhibits to this Security Agreement are incorporated and made a part hereof by reference.
- 11.3. **Amendments.** Any term, covenant, agreement or condition of this Security Agreement may, with the consent of Borrower, be amended or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), if Borrower shall have obtained the consent in writing of the Joint Decision of the Lender.
- 11.4. **Assignment.** This Security Agreement and the rights hereunder may not be assigned or delegated by Borrower without the prior written consent of Joint Decision of the Lender, and any such attempted assignment or delegation shall be null and void.
- 11.5. **Attorneys' Fees.** In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this Security Agreement or the breach

thereof, the prevailing party shall be entitled to recover from the other party or parties, reasonable expenses, attorneys' fees and costs, including the cost of enforcing any judgment obtained in such action.

- 11.6. **Execution in Counterpart; Electronic Signatures.** The parties agree this Security Agreement may be executed in counterpart, and evidence of the executed Security Agreement may be established through facsimile or electronic simulation of authorized signatures.
- 11.7. **Entire Agreement.** This instrument contains the entire agreement of the parties relating to the rights granted and obligations assumed in this instrument and supersedes any and all other agreements, contracts or understandings between the parties. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged.
- 11.8. **Severability.** In the event that any provision of this Security Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.
- 11.9. **Time of Essence.** Time is of the essence for purposes of this Security Agreement.
- 11.10. **Independent Counsel.** Each party has had the opportunity to consult with his or her own attorney with respect to this Security Agreement, and in the event that any language contained herein is construed to be vague or ambiguous, this Security Agreement shall not be strictly construed against any party.
- 11.11. **Notices.** Any and all notices between the parties hereto provided for or permitted hereunder shall be in writing and given pursuant to the Loan Agreement.
- 11.12. **Successors.** Subject to the provisions contained herein regarding assignment, this Security Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.
- 11.13. **No Waiver.** The waiver by any party to this Security Agreement of a breach of any provision of this Security Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Security Agreement. All waivers under this Security Agreement must be in writing signed by the party against whom waiver is claimed.
- 11.14. **Governing Law.** This Security Agreement is made in and shall be governed under the laws of the State of Colorado.
- 11.15. **Third-Party Beneficiaries.** This Security Agreement is solely for the benefit of the Secured Party and no provision of this Security Agreement shall be deemed to confer any third-party benefit.

IN WITNESS WHEREOF, the parties have executed this Security Agreement and made it effective on the date first written above.

BORROWER:

NEPRA FOODS, LTD.,
a Colorado corporation

Acknowledged By:

(s) "Chadwick White"
Chadwick White, CEO

(s) "David Wood"
David Wood, Director

[SECURED PARTY' SIGNATURE PAGES FOLLOW]

**SECURED PARTY'S SIGNATURE PAGE
SECURITY AGREEMENT NEPRA FOODS, LTD.**

The undersigned Investors hereby accept, adopt and agree to be bound by all the terms and conditions of the Security Agreement effective April 5, 2024 by and among the undersigned Secured Party and NEPRA FOODS, LTD.

SECURED PARTY:

(s) "William Hogan"

William Hogan